



# **Understanding Medicare 2015**

# + Medicare – What is it?

- Health insurance for people
  - Age 65 and older
  - Under age 65 with certain disabilities
  - Any age with End-Stage Renal Disease (ESRD)
- Administered by
  - Centers for Medicare & Medicaid Services (CMS)
- Enroll through
  - Social Security
  - Railroad Retirement Board (RRB)



# Medicare – At A Glance

- Medicare has four parts
  - Part A – Hospital Insurance
  - Part B – Medical Insurance
  - Part C – Medicare Advantage Plans
  - Part D – Prescription Drug Coverage




# Original Medicare

- Red, white, and blue Medicare card
- Part A and/or Part B
- Go to any provider that accepts Medicare
- You pay
  - Part B premium
    - Part A free for most people
  - Deductibles
  - Coinsurance or copayments

# + Medicare Card (front)

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<b>MEDICARE</b>			<b>HEALTH INSURANCE</b>
<b>1-800-MEDICARE (1-800-633-4227)</b>			
NAME OF BENEFICIARY			
<b>JANE DOE</b>			
MEDICARE CLAIM NUMBER		SEX	
<b>000-00-0000-A</b>		<b>FEMALE</b>	
IS ENTITLED TO		EFFECTIVE DATE	
<b>HOSPITAL</b>		<b>(PART A)</b>	<b>07-01-1986</b>
<b>MEDICAL</b>		<b>(PART B)</b>	<b>07-01-1986</b>
SIGN HERE →		<u><i>Jane Doe</i></u>	



# Medicare – Enrollment

- Apply 3 months before age 65
  - Do not need to be retired
  - Social Security Association (SSA) will enroll you in Medicare starting the first day of the month (upon meeting requirements)
- Auto Enrollment
  - If you are already receiving Social Security benefit
  - If receiving Railroad Retirement benefits



# Medicare Part A – Hospital Coverage

- Part A premium is free for most people
- People with less than 10 years of Medicare-covered employment
  - Can pay a premium to get Part A
- Coverage
  - Hospital inpatient care, skilled nursing facility (SNF) care, home health care, hospice care, and blood work.
- Charges based on “benefit period”
  - Inpatient hospital care and SNF services
  - Begins day admitted to hospital and ends when no care received in a hospital or SNF for 60 days in a row.
  - You pay deductible for each benefit period, but there is no limit to number of benefit periods



# Inpatient Hospital Stays

- Covered services:
  - Semi-private room
  - Meals
  - General nursing
  - Other hospital services and supplies
- Includes:
  - Inpatient care in Acute Care Hospitals
  - Critical Access Hospitals
  - Inpatient Rehabilitation Facilities
  - Long Term Care Hospitals
- 190-day limit for inpatient mental health care in a lifetime





# Paying for Hospital Stays

- For inpatient Hospital stays in 2015 you pay
  - \$1,260 total deductible for days 1 – 60
  - \$315 co-payment per day for days 61 – 90
  - \$630 co-payment per day for days 91 – 150  
(60 lifetime reserve days)
  - All costs for each day beyond 150 days



# Skilled Nursing Facility (SNF) Care

- Conditions of coverage (must meet all):
  - Require daily skilled services
    - Not long-term or custodial care
  - At least 3 consecutive days of inpatient hospital care for a related illness or injury
  - Admitted to SNF within 30 days of hospital discharge
  - MUST be a Medicare participating SNF
- Coverage:
  - Semi-private room, meals, skilled nursing care, physical, occupational, speech-language therapy, medical social services, medications, medical supplies/equipment, ambulance transportation, and dietary counseling

# + Paying for SNF Care

- For each benefit period in 2015 you pay
  - \$0 for days 1–20:
  - \$157.50 per day for days 21–100
  - All costs after 100 days
- Must meet requirements for Medicare-covered stay
  - Does NOT include custodial care (if it is the only care you need)
  - Generally, skilled care is available only for a short time after a hospitalization whereas custodial care may be needed for a much longer period of time.



# Home Health Care - Overview

- For as long as you are eligible (limited hours and days per week)
- Conditions:
  - Doctor must make a plan for your care at home
  - Must need specific skilled services
  - Must be homebound
  - Home health agency must be Medicare-approved
- Payment
  - In Original Medicare you pay
    - Nothing for covered home health care services
    - 20% of the Medicare-approved amount for covered durable medical equipment



# Home Health Care – Coverage

- Covered services
  - Part-time/intermittent skilled nursing care
  - Therapy
    - Physical
    - Occupational
    - Speech/language
- May also include
  - Medical social services
  - Some home health aide services
  - Durable medical equipment/supplies

# + Hospice - Overview

- Special care for terminally ill and family
  - Expected to live 6 months or less
  - Focuses on patient comfort, not on curing the illness
- Doctor must certify for each “period of care”
  - Two 90-day periods
  - Unlimited 60-day periods
- Hospice provider must be Medicare-approved
- Coverage:
  - Medical equipment and supplies, drugs for symptom control and pain relief, short-term hospital inpatient care, respite care in a Medicare-certified facility, home health aide and homemaker services, social work services, dietary counseling, and grief counseling



# Hospice - Paying for Care

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- Payment by Original Medicare
  - You pay up to \$5 for prescription drugs
  - You pay 5% for inpatient respite care
    - Amount can change each year
- Room and board generally not payable



# Medicare Part B - Medical Coverage

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- Enrollment in Part B is your choice
- Initial Enrollment Period (IEP)
  - 7 months beginning 3 months before age 65
- Enrolled automatically if receiving Social Security
  - To keep Part B, keep the card
  - If you don't want Part B, follow instructions with card





# Medicare Part B - Enrollment

- General Enrollment Period (GEP)
  - January 1 through March 31 each year
  - Coverage effective July 1
  - Premium increases 10% for each 12-month period you were eligible but did not enroll
- Special Enrollment Period
  - Sign up within 8 months of the end of employer or union health plan coverage

# + Medicare Part B - Paying the Premium

- Taken out of your monthly payment
  - Social Security
  - Railroad Retirement
  - Federal Government retirement
- For information about premiums
  - Call SSA or RRB
  - OPM if a retired Federal employee
- May be billed every 3 months
- Medicare Easy Pay
- Programs available to help



# Medicare Part B - Paying the Premium

<b>Yearly Income Filed Individual Tax Return</b>	<b>File Joint Tax Return</b>	<b>Premium</b>
\$85,000 or less	\$170,000 or less	\$104.90
\$85,001-\$107,000	\$170,001-\$214,000	\$146.90
\$107,001-\$160,000	\$214,001-\$320,000	\$209.80
\$160,001-\$214,000	\$320,001-\$428,000	\$272.70
\$214,001 or more	\$428,001 or more	\$335.70



# Medicare Part B - Coverage

- **Doctors' services**
- **Outpatient medical and surgical services and supplies**
- **Diagnostic tests**
- **Outpatient therapy**
- **Outpatient mental health services**
- **Some preventive health care services**
- **Other medical services**
- Clinical laboratory tests
- Home health services (not covered under Part A)
- Durable medical equipment
- Outpatient hospital services
- Blood Work
- Ambulance service, if other transportation would endanger your health



# Medicare Part B - Preventive Services

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- “Welcome to Medicare” Preventive Visit and a yearly “Wellness Visit” thereafter
- Abdominal aortic aneurysm screening
- Alcohol misuse screening & counseling
- Bone mass measurement
- Cardiovascular disease screenings
- Colorectal cancer screenings
- Diabetes screenings
- Glaucoma tests
- Mammograms (screening)
- Pap test/pelvic exam/ clinical breast exam
- Prostate cancer screening
- Flu shots
- Pneumococcal shots
- Hepatitis B shots
- Smoking cessation
- HIV screenings



# Medicare Part B – Cost of Services

- In Original Medicare you pay
  - Yearly deductible
    - \$147 in 2015
  - 80% covered by Medicare, 20% co-pays for most services
  - Some co-payments
- Programs available to help pay Part B costs



# Original Medicare - Assignment

- Only Applies to Original Medicare Part B Claims
- Agreement between
  - People with Medicare, Doctors, and other health care suppliers and Medicare
- Providers agree to
  - Be paid by Medicare
  - Get only the amount Medicare approves for their services
  - Only charge the Medicare deductible and/or coinsurance amount
- Providers who do NOT agree
  - May charge more than Medicare-approved amount
    - Limit of 15% more for most services
  - May ask you to pay entire charge at time of service

# + Medigap - Overview

- Health insurance policies
  - Sold by private insurance companies, plans are A through N
  - Follow Federal and state laws that protect you in every state
  - Must say “Medicare Supplement Insurance”
  - Cover “gaps” in Original Medicare
  - Costs may vary by state, you must purchase a plan where you live
- Same Plan, Different Names
  - Plans issued prior to 1991 are termed “Pre-Standardization plans” (excluding MA, MN, and WI)
  - Plans issued from 1991 – June 2010 are called, “1990 Plans” formerly known as “Standardized Plans”
  - The NAIC’s new term for plans issued beginning June 1, 2010 is “2010 Plans”



# + Medigap – How It Works

- Only works with Original Medicare
  - Don't need Medigap if in MA Plan or other Medicare plans
- Can go to any doctor, hospital, or provider that accepts Medicare
  - Except with a Medicare SELECT policy
- You pay a monthly premium
- All Medigap plans must be approved by the IDOI
- A list of all Medigap plans is located on the SHIP website (or via packet in the mail)

# + Medicare Advantage Plans - Overview

- Health plan options approved by Medicare
  - A way to get your Medicare benefits delivered through private companies approved by Medicare
  - Still in Medicare program
  - Still have Medicare rights and protections
  - Still get regular Medicare-covered services
  - May get extra benefits
    - Such as vision, hearing, or dental care
  - May be able to get prescription drug coverage (Part D)
- Different Advantage Plans
  - Health Maintenance Organization (HMO)
  - Preferred Provider Organization (PPO)
  - Private Fee-for-Service (PFFS)
  - Special Needs Plan (SNP)



# Advantage Plans – How They Work

- Get Medicare-covered services through the plan, all of Part A and Part B covered services
- Some Plans may provide additional benefits
- Can include a prescription drug coverage
- You have to stay in a certain network of hospitals and providers
- Co-pays and deductible are different than Original Medicare



# Advantage Plans – Join and Switch

- Initial Coverage Election Period
  - Seven month period begins three months before you turn 65
  - Includes the month you turn 65
  - Ends 3 months after you turn 65
- Annual Election Period
  - October 15<sup>th</sup> – December 7<sup>th</sup> each year
  - Coverage starts January first of next year
- Annual Disenrollment Period
  - January 1<sup>st</sup> – February 14<sup>th</sup> every year (coverage begins the first of the month after you switch)
  - May also join a Medicare Part D plan during change



# Medicare Part D – Rx Coverage

- Available for all people with Medicare
- Provided through
  - Medicare Prescription Drug Plans
  - Medicare Advantage Plans
  - Other Medicare plans
- Who Can Join
  - Requirements:
    - Have Medicare Part A, Part B, or both
    - Live in plan service area
    - Enroll in a Medicare prescription drug plan



# Medicare Part D - Enrollment

- When first eligible for Medicare
  - 7 months beginning 3 months before first month of Medicare eligibility
- During specific enrollment periods
  - Annual Coordinated Election Period
  - October 15<sup>th</sup> – December 7<sup>th</sup> each year
  - Special Enrollment Periods
- Some people are enrolled automatically



# Medicare Part D - Switching

- Annual Election Period
- Special Enrollment Periods
  - Permanently move out of plan service area
  - Lose creditable prescription drug coverage
  - Enter, reside in, or leave a long-term care facility
    - Like a nursing home
  - Qualify for Extra Help
  - Have other exceptional circumstances



# Late Enrollment Surcharges/ Penalties

- The late enrollment penalty is calculated by multiplying 1% of the national base beneficiary premium (\$33.93 in 2015) times the number of full, uncovered months that you were eligible but didn't join a Medicare drug plan and went without other creditable prescription drug coverage.
- This amount is rounded to the nearest \$.10 and added to your monthly premium. You may have to pay this penalty for as long as you have a Medicare drug plan.





# Medicare Part D – Costs in 2015

- Costs vary by plan, most people will pay:
  - Monthly premium
  - Annual Deductible, \$320 in 2015
  - After the deductible for the next \$2,960, you will pay 25% and the plan will cover 75% of your drug costs.
  - When your total drug costs reach \$2,960, your initial drug plan coverage will end.
  - Coverage Gap (donut hole) Part D enrollees will pay 65% for generic drugs, 45% for brand name drugs, plus a nominal dispensing fee (approx \$1-\$3)
  - Once your total out of pocket drug costs (not including the monthly premiums) reach \$6680 your catastrophic coverage will begin.
  - Your plan will cover up to 95% of your drug costs. You will pay either \$2.65 for generic or \$6.60 for brand name drugs or 5% of the cost which ever is greater.



# Extra Help – Paying Part D Costs

- Extra help
  - Help with drug plan costs for people with limited income and resources
  - Social Security or state makes determination
  - Both income and resources are counted
  - Some groups are automatically eligible
    - People with Medicare and Medicaid
      - Supplemental Security Income (SSI) only
      - Medicare Savings Programs
    - Everyone else must apply
- Multiple ways to apply
  - Paper application (from Social Security Office)
  - Applying with Social Security at [www.socialsecurity.gov](http://www.socialsecurity.gov) on the web
  - Applying through your local Medicaid office
  - LIS/MSP Enrollment Centers, your Local Area on Aging



# Extra Help – Income/ Resource Limits

## ■ Monthly Income

- Full subsidy \$1,344 (single) \$1,813 (married)
- Partial subsidy \$1,491 (single) \$2,012 (married)

## ■ Resources

- Up to \$13,640 (individual)
- Up to \$27,250 (married couple)
  - Includes \$1,500/person funeral or burial expenses
  - Counts savings and stocks
  - Does not count the home you currently live in



# Hoosier Rx

- Hoosier Rx is Indiana's prescription drug plan for low-income seniors. Hoosier Rx does not consider your assets; it only considers your income.
- To qualify:
  - Indiana resident
  - Age 65 or over
  - Receive a low monthly income
  - Are without insurance that has a prescription drug benefit, you may qualify.
  - Net income is:
    - \$17,895 or less for an individual
    - \$24,135 or less for a couple
- To apply, call free of charge 1-866-267-4679.

# + Medicaid – What is it?

- Federal-state health insurance program
  - People with limited income and resources
  - Certain people with disabilities
- If eligible, most health care costs covered
- Eligibility determined by state
- Application processes and benefits vary



# Medicare Savings Programs

- Help from Medicaid paying Medicare premiums
  - For people with limited income and resources
  - May also pay Medicare deductibles and coinsurance
- Programs include
  - Qualified Medicare Beneficiary (QMB)
  - Specified Low-income Medicare Beneficiary (SLMB)
  - Qualifying Individual (QI)



# Medicare Savings Program

	Income	Assets
Medicaid	\$1,001 (single) \$1,348 (married)	\$2000 (single) \$3000 (married)
<b>Qualified Medicare Beneficiary</b>	\$1,491 (single)	\$7,280 (single)
	\$2,012 (couples)	\$10,930 (couples)
<b>Specified Low Income Beneficiary</b>	\$1,688 (single)	\$7,280 (single)
	\$2,278 (couples)	\$10,930 (couples)
<b>Qualified Individual</b>	\$1,835 (single)	\$7,280 (single)
	\$2,477 (couples)	\$10,930 (couples)
SSI – Supplemental Security Income	\$753 (single) \$1,120 (married)	\$2,000 (single) \$3,000 (married)



# For More Information

- 1-800-MEDICARE (1-800-633-4227)
  - TTY users should call 1-877-486-2048
- *Medicare & You 2014* handbook
- Other Medicare publications
- [www.medicare.gov](http://www.medicare.gov)
- [www.cms.hhs.gov](http://www.cms.hhs.gov)
- SHIP telephone: 1-800-452-4800
  - TTY users should call 1-800-846-0139
- SHIP website: [www.medicare.in.gov](http://www.medicare.in.gov)